

DISASTER RECOVERY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

Below is a brief description of all of the CDBG programs developed in response to the 2005 storms. Most of the programs include specific allocations to the most impacted parishes. Most programs are operated at the parish or sub-grantee level within the parish with oversight from the Office of Community Development n CDBG funds.

HOUSING

HOMEOWNER PROGRAM

Road Home Program (\$8.99 billion)

The Road Home helps Louisiana residents affected by Hurricane Katrina or Rita get back into their homes as quickly and fairly as possible. This groundbreaking effort represents the largest single housing recovery program in U.S. history.

Through *The Road Home*, eligible homeowners may receive up to \$150,000 in compensation for their losses to get them back into their homes. Homeowners have three compensation options:

1. Rebuild and remain in home.
2. Purchase another home in Louisiana.
3. Sell home and choose not to remain a homeowner in the State of Louisiana.

More than 121,000 applicants have closed on their award offers. More than \$7 billion to date has been given to homeowners to repair and rebuild their homes.

RENTAL PROGRAMS (\$1.2 billion)

Small Rental Property Program (\$751.5 million)

The SRPP has a goal of providing affordable rental housing for low and moderate income households in restored one to four unit properties that comprised the majority of pre-storm rental units, thereby reducing blight.

The Small Rental Property program provides incentives to property owners to repair their storm-damaged, small-scale rental properties and make their units available to low and moderate income tenants at affordable rates. Through a competitive process, the program offers financial incentives to encourage owners of small rental buildings from one to four units to accept affordable rental rates for low to moderate-income households. 80% AMI with maximum amount of subsidy going to units affordable to families with income at or below 50% AMI. The awards resulting from this program will help restore more than 9,000 rental units. Of those, more than 8,000 units will be rented at affordable rates for low to moderate income working families. The other units will be home to owner-occupants (who live on the same property as their rental units) and market rate tenants in mixed-income buildings.

Low Income Housing Tax Credits/CDBG “Piggyback” Program (\$581M)

The Piggyback program was developed to combine the resources of Gulf Opportunity Zone Tax Credits (GO Zone), CDBG Piggyback funding, available HOME funds, Section 8 housing vouchers, and leveraged private investments to generate between 18,000 and 33,000 of new or restored rental units. The program will support the development of mixed income communities and ensure the restoration of rental housing in the most heavily impacted parishes.

Supportive Housing Services Program (\$72.7M)

This program makes possible grants for Permanent Supportive Housing (PSH), designed to provide flexible, community-based supportive services for special needs households linked to affordable rental housing units in community-integrated, non-institutional settings.

Homelessness Supports and Housing Program (\$25.9M)

This program will provide resources to immediately restore and expand housing capacity in hurricane impacted areas by: 1) providing capital funds for repairing damaged homeless housing facilities; 2) providing capital grants and shallow rental subsidies to encourage increasing the supply of permanent supportive housing (PSH) for homeless and at-risk households; 3) providing PSH interim rental assistance to immediately house PSH eligible households and provide short term rental assistance in the form of deposits; and 4) other assistance to prevent persons at risk from becoming homeless or to assist households who have already fallen into homelessness, including low wage workers, at risk youth, victims of domestic violence, and low income seniors and people with disabilities to obtain and retain housing. Additionally, the Program will provide funding for the development of a transitional Safe Haven Project and partial funding for a statewide Homeless Management Information System (HMIS). The Department of Social Services (DSS) shall serve as the lead agency.

A total of \$6.2 million was awarded to 8 Continuums of Care in Orleans, Jefferson, Plaquemine, East Baton Rouge, Lafayette, Bossier, St. Bernard, Rapides, St. Tammany and Calcasieu Parishes. All 8 of the cooperative endeavor agreements have been approved. To date, the agencies have assisted 2,299 households using homelessness prevention or rapid re-housing funds.

A program description has been finalized for the Transitional Assistance Program (TAP) with Rapid Re-housing and DHH supportive services under one larger program design. The funding is \$3,500,000 and is targeted to permanent supportive housing for qualified homeless individuals.

Housing Development Loan Fund Program (\$16.6M)

These funds provide seed funding for a contractor or state agency to establish one or more loan funds that offer acquisition and predevelopment financing on flexible terms to developers of the most critically needed housing.

This program is combined contractually with the *Housing Land Assembly Operations* (HLAS) program. They are collectively known as the Enterprise Louisiana Loan Fund. In the early months of this program the number of total applications received was lower than anticipated due to several factors, including the timing of tax credit awards not coinciding with the availability of the loan-fund resources and requests for loans being less than the minimum dollar amount established for the program. The contractors administering this program, Enterprise and LISC, identified and worked to refine the program and increase the number of applicants. LISC sent a mailing to over 130 persons including past housing credit participants, area networks, nonprofits, banks, and consultants working in the affordable housing field. Reporting and monitoring processes and criteria were refined to ensure thorough tracking of program goals. By the end of the fourth quarter of 2008, there were 9 complete HLAS and 7 complete HDEV applications.

Building Code Enforcement Program (\$16.4M)

This program is designed to alleviate a major impediment to housing development: the lack of building, electrical and plumbing inspectors, and permit processing staff. This program will fund at least 70 field inspectors and plan reviewers, as well as a limited number of support staff, and it will sponsor additional training opportunities for inspectors, engineers, and architects.

As of December of 2008, the Institute for Building Technology and Safety (IBTS) was still deploying personnel to assist with code inspections, plan evaluations, code permitting, and training in the 11 most affected parishes. Although the contract was extended, the funding amount requires a prioritization of parishes by IBTS. In addition, IBTS is beginning to decrease its staff in anticipation of the termination of the contract. This is occurring mostly through attrition. December activities included: Plan Reviews – 95 (4,528 total), Building Inspections – 718 (27,154 total); Electrical Inspections – 224 (24,037 total); Mechanical Inspections – 221 (5,952 total); Plumbing Inspections – 302 (11,159 total); and Persons Trained – 26 (465 total). This was only a six-month contract, but because the parishes and cities requested assistance for at least another year, a contract extension was approved by the OCD-DRU in November of 2007.

Environmental Clearance Program (\$4.3M)

Designed to evaluate, provide written analysis and project management for a broad range of environmental studies, as necessary for use of funds under the CDBG Disaster Recovery program. The evaluations will follow applicable laws and regulations, which may include the National Environmental Protection Act (NEPA) environmental review procedures relating to HUD CDBG activities, and/or other local, state, or federal environmental laws.

Support to Community Based Programs (\$2.1M)

Provides support for Community Based Programs done in the following two areas: 1) *Housing Outreach Service* to provide outreach, technical assistance, and transportation to low and moderate-income individuals in the Homeowner Housing Assistance Program; and 2) *Housing Legal Service* to provide legal assistance to low and moderate-income individuals in the Road Home application process.

First Time Homebuyer Program (\$40 million)

A pilot program to assist in the creation of homeownership opportunities for renters and will be administered by the Louisiana Housing Finance Agency (LHFA). HUD approved *Action Plan Two, Amendment 4*, on November 9, 2007, which reallocated a portion of the funds from this program to the *Homeowners Assistance Program*.

Soft Second Mortgage Program (\$75 million)

A new initiative designed to promote homeownership for low and moderate income renter households using soft-second mortgages to purchase rebuilt or restored Louisiana Land Trust (LLT) properties.

INFRASTRUCTURE

Local Government Emergency Infrastructure Program (\$91.3M)

This program provides the match funding for Federal Emergency Management Agency (FEMA) Public Assistance (PA) and Hazard Mitigation projects to restore critical local infrastructure damaged by the storms, as well as other eligible local response/recovery activities.

Ratepayer Mitigation Program (\$200M)

Program to defray gas and electric utility system repair cost in an effort to mitigate rate increases that would otherwise be passed on to the New Orleans gas and electric utility ratepayers.

Primary and Secondary Education Program (\$247.5M)

Provides funding for repairs to public schools that were damaged by the storms but that are not eligible for FEMA Public Assistance grants.

Long Term Community Recovery Program (\$715M)

This program will provide \$700M of funding for implementation of local long-term recovery plans in the 22 most heavily affected parishes in the state. These funds allow these parishes to address their local recovery needs through long term planning and implementation of projects designed to solve those problems resulting from hurricanes Katrina and Rita. Problems are inclusive, but not limited to damage to the economy, environment, housing stock, public safety, education, healthcare, and transportation. This allocation also provides \$15 million for technical assistance to parishes for program delivery.

Eligible Parishes

Orleans, St. Bernard, Plaquemines, Jefferson, St. Tammany, Cameron, Calcasieu, Vermilion, Terrebonne, Lafourche, Washington, Iberia, Tangipahoa, East Baton Rouge, St. Charles, St. John, St. Mary, Acadia, Beauregard, Jefferson Davis, Livingston, Lafayette, Allen

Fisheries Infrastructure Program (\$28.8M)

This program is needed to address the continued devastation experienced by the fishing industry in the aftermath of hurricanes Katrina and Rita. Funds are to improve and expand public infrastructure critical to the fisheries industry, including, but not limited to, docks, icehouses, boat launches, and other necessary infrastructure. (Direct assistance to fishermen will be provided to eligible applicants through the *Small Firm Loan and Grant Program*.)

HUD approved the release of funds for the *Fisheries Assistance Program*; outlined in *Action Plan One, Amendment 17* for \$19M on December 20, 2007. Action Plan Amendment 26 has increased it by \$9.5M.

Eligible Parishes

Cameron, Vermilion, Terrebonne, Lafourche, Jefferson, Plaquemines, St. Bernard Orleans, St. Tammany

ECONOMIC DEVELOPMENT

Under the Economic Development category, \$330.5 million of Community Development Block Grant (CDBG) funding is being utilized to stimulate the short-term and long-term economic recovery of Louisiana.

Program provides infrastructure repair funds to assist in the recovery of the State's damaged businesses and workforce. While not nearly enough funding to address the significant challenges to the State's economic recovery, the State has used this first phase of funding to develop a number of innovative programs to retain and stabilize the business community and workforce, and to catalyze recovery in key economic sectors.

PRINCIPLES OF ECONOMIC DEVELOPMENT RECOVERY

- Target investment in small businesses as the backbone of our economy
- Address severe workforce shortages in critical recovery sectors
- Assist neighborhood & local economic development priorities by investing in commercial corridor revitalization and supporting high growth sectors.
- Invest in higher education institutions as economic generators.
- Reposition image of Louisiana and New Orleans as open for business.

Tourism and Marketing Program (\$28.5M)

The Tourism and Marketing program has been established by the Louisiana Recovery Authority (LRA) in cooperation with the Department of Culture, Recreation & Tourism to boost tourism in areas of Louisiana impacted by the 2005 storms. The primary objective of the Louisiana Tourism Marketing Program is to increase the number of visitors to the impacted areas.

Eligible Parishes:

Orleans, St. Bernard, Plaquemines, St. Tammany, Jefferson, Cameron, Calcasieu, Tangipahoa, Vermilion, Washington, St. Charles, St. James, St. John, Lafourche

Recovery Workforce Training Program (RWTP) (\$38M)

The \$38 million Recovery Workforce Training Program (RWTP) has been established by the Louisiana Recovery Authority (LRA) and the Louisiana Workforce Commission in cooperation with the State Office of Community Development's (OCD) Disaster Recovery Unit to create workforce training & placement programs that meet the needs of businesses in sectors critical to the recovery and rebuilding of the areas affected by hurricanes Katrina and Rita.

Eligible Parishes:

Orleans, Cameron, St. Bernard, Plaquemines, Calcasieu, Jefferson, St. Tammany, Vermilion, Acadia, Allen, Beauregard, Iberia, Jefferson Davis, Lafourche, St. Charles, St. John the Baptist, St. Mary, Tangipahoa, Terrebonne or Washington

Research Commercialization and Educational Enhancement (\$28.5M)

The Research Commercialization and Educational Enhancement Program (RC/EEP) is intended to restore the economic impact of scientific and technology research facilities within higher education institutions in the most severely affected areas. Under the program, universities in Southeast and Southwest Louisiana received grants in the summer of 2007 to invest in the research capacity of universities directly impacted by the hurricanes. Additionally, the RC/EEP provides funds to develop a statewide assessment of university research commercialization opportunities and recommend systems for commercialization throughout Louisiana which will culminate in the fall. The statewide initiative is based on a model pioneered by the Georgia Research Alliance (GRA), a highly-successful collaboration of research universities, business, and state government, to increase the economic impact of university-led science and technology research.

Business Recovery Assistance

Bridge Loan Program (\$17M)

Immediately following the hurricanes of 2005, the state instituted a Disaster Bridge Loan Program for small businesses to bridge the gap that exists from the time need arises until the time insurance pays off a claim or an SBA

Disaster Loan is funded. The program initially began with \$10 million of state funds, followed by an additional \$30 million of CDBG funding.

Business Recovery Grant and Loan Program (\$209M)

The Business Recovery Grant and Loan Program, designed by the LRA and implemented by the LED, was announced by Governor Blanco in December 2006 and launched in January 2007. The Louisiana Business Recovery Grant and Loan Program was established with a two-fold purpose:

- To provide immediate financial – and emotional – relief to business owners
- To help business owners and their businesses adapt in a changed market

Eligible Parishes:

Orleans, Cameron, St. Bernard, Plaquemines, Calcasieu, Jefferson, St. Tammany, Vermilion, Acadia, Allen, Beauregard, Iberia, Jefferson Davis, Lafourche, St. Charles, St. John the Baptist, St. Mary, Tangipahoa, Terrebonne or Washington

Technical Assistance to Small Firms (\$9.5M)

The LRA and LED developed the Technical Assistance (TA) program to support a variety of groups that provide technical assistance to our small businesses through \$9.5 million of CDBG funds. The program works with community-based organization and other service providers to deliver technical assistance to small businesses and nonprofits in the areas affected by Hurricanes Katrina and Rita.

Eligible Parishes:

Orleans, Cameron, St. Bernard, Plaquemines, Calcasieu, Jefferson, St. Tammany, Vermilion, Acadia, Allen, Beauregard, Iberia, Jefferson Davis, Lafourche, St. Charles, St. John the Baptist, St. Mary, Tangipahoa, Terrebonne or Washington